



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 12, 2006

TO: Mayor and Councilmembers

FROM: Water Resources, Public Works Department

SUBJECT: Introduction Of Ordinance To Require Inspection Of Private Sewer Laterals

RECOMMENDATION: That Council:

- A. Introduce and Subsequently Adopt, by Reading of Title Only, An Ordinance of the Council of the City of Santa Barbara Amending the Municipal Code by Adding Chapter 14.46 (Building Sewer Inspections) and Repealing Sections 14.40.005, 14.40.050 and 14.44.170 of Title 14, and Amending Section 28.87.220 of Chapter 28.87 of the Santa Barbara Municipal Code Pertaining to a Sewer Inspection Program, Other Sewer Requirements and With Respect to Zoning Information Reports;
- B. Approve a \$200,000 Fiscal Year 2007 Wastewater Fund pilot rebate program for private sewer lateral inspections or repairs in accordance with the following criteria:
 - 1. For single-family through three-unit properties, a per-property rebate for half the cost of sewer lateral repairs, up to \$2,000;
 - 2. Where the sewer lateral is in good condition, a rebate in an amount of up to \$150 for sewer lateral inspections;and;
- C. Appropriate \$200,000 from the Wastewater Fund Reserves to the Fiscal Year 2007 Wastewater Fund Operating Budget.

EXECUTIVE SUMMARY:

Private laterals are connected to and function as part of the City of Santa Barbara (City) wastewater collection system. Wet weather overflows caused by the inflow or infiltration (I&I) of rainwater into the sewer system are the leading causes of collection system

REVIEWED BY: _____Finance _____Attorney

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overflows. Faulty laterals are believed to contribute substantially to the I&I. Roots from private laterals are also a significant source of blockages and spills. The City expends significant resources to operate and maintain City-owned lines to prevent overflows, and City efforts have been successful in reducing overflows. However, without controlling inflow and infiltration from private property, the City's ability to further reduce overflows is limited. The proposed ordinance will provide a mechanism for ensuring that laterals are inspected based on the following criteria: at times when property owners are doing substantial work, whenever there is cause to believe that the lateral needs repair, and on a ten-year cycle for commercial properties and condominium complexes. Incentives are also being proposed to encourage homeowners to proactively inspect and replace laterals.

DISCUSSION:

Background

The sewer system serving the City is comprised of interconnected pipes that are publicly and privately owned. The interconnectivity of the system means that problems on private property can move into the public system, resulting in overflows caused by blockages or excess flow. High flows to the treatment plant during storms can reduce the effectiveness of the wastewater treatment process.

Existing City Sewer System

The City owns, maintains, and operates 263 miles of sewer mains. These pipes are located beneath City streets or in City easements. Eighty percent of the City-owned sewer mains are eight inches in diameter or smaller. The pipes connecting homes and businesses to the sewer mains (laterals) are privately owned. Private laterals are primarily located on private property, but usually extend into the public right-of-way. Sewer laterals are part of the building's plumbing, and it is the responsibility of the property owners to maintain them. Staff estimates that there are at least 350 miles of privately-owned sewer laterals in the City.

Each year, the City spends approximately \$4 million inspecting, cleaning, maintaining, repairing, and replacing the publicly-owned portion of the sewer system. These efforts have significantly reduced the number of overflows resulting from stoppages and rainwater I&I in the past ten years. In contrast to City sewer mains, privately owned laterals generally are not maintained until they fail. Roots often grow into poorly maintained laterals. When these roots are then removed by a plumber, they are sometimes released into the City-owned pipes where they cause a blockage or sewage spill.

In addition, broken or cracked pipes, missing cleanout caps, and illegal connection of outdoor drains to the sewer system allow rainwater into the sewer system during wet weather. Since the collection system is designed to carry only wastewater generated inside homes, and because the majority of the City's sewer mains are only eight inches in diameter, the system can be easily overwhelmed by rainwater discharges. In other

cities, it has been estimated that up to 80% of the rainwater entering the wastewater collection system comes from illegal connections and damaged laterals on private property. I&I from private property is the predominant source of high wet-weather flows in Santa Barbara. The City has spent significant resources replacing and rehabilitating public pipes over the past two decades and there has been a significant reduction in the magnitude and duration of wet weather flows. However, during large storms or intense rainfall, extremely high flows are still experienced at the treatment plant. The high flows can also cause spills from the collection system. To address these remaining problems, it is necessary to require maintenance on the private portion of the system (laterals), as well as continue City efforts to improve the public mains.

Public Outreach and Participation

Reducing adverse private property effects on the public sewer system is the primary objective of the proposed Sewer Lateral Inspection Program. This was the premise of discussions with stakeholders and the general public during the public outreach process.

Public outreach included:

- Fourteen meetings with stakeholder groups;
- Two publicly noticed general meetings;
- Two presentations to the Ordinance Committee;
- Presentation of the proposed draft ordinance to Council; and
- Presentation of a proposed incentive program to the Finance Committee for recommendation to Council.

Additionally, the two most recent wastewater newsletters included articles alerting the public of a possible lateral inspection program.

Channel Keeper, Heal the Ocean, and the Association of Realtors has been active participants in the process to identify and develop a lateral inspection program. A concern of these groups is the potential effect of leaking sewers on creek and ocean water quality. These groups have advocated for the City to implement an aggressive program, dubbed the grid system, which would require all property owners to inspect and repair laterals within 10 years. These groups recognize that sewer lateral replacement can be expensive and are also advocating that sewer rates be significantly increased to provide a funding source for residents who are required to replace laterals.

The City is sponsoring research by the United States Geological Survey (USGS) to evaluate whether leaking infrastructure (private laterals and/or public mains) is a widespread source of groundwater contamination that then causes creeks to be contaminated. Results from the USGS study do not support the hypothesis that leaking sewer lines are a diffuse source of contamination to creeks.

The proposed lateral ordinance will provide data to allow a more meaningful evaluation of the costs, benefits, and public support for expanding lateral inspection to a more aggressive program, such as a grid system. This information, coupled with findings of the on-going data being generated by current research studies, will provide a basis to evaluate the need for a more aggressive program, and determine the most effective manner in which to expand the scope of the lateral inspection program in the future. This incremental approach will also allow private contractors to gear up to provide required inspection and/or repair services.

SUMMARY OF PROPOSED LATERAL INSPECTION ORDINANCE

The proposed ordinance will require property owners to have their laterals inspected by a licensed plumber in the following situations:

Mandatory building sewer inspections:

- Chronic problems – if the lateral has been blocked more than once in a 12-month period;
- Whenever there is a spill from the lateral;
- Whenever a defect is identified during smoke testing;
- Whenever roots, excess clear water, or other problems are identified as coming from the lateral, during inspection of City main lines;
- Upon direction of the Public Works Director, whenever there is reasonable cause to believe there may be a problem with the sewer lateral or that there are illegal connections to the sewer lateral.

Residential inspections:

- Prior to issuance of a Building Permit for expansion of space by 400 or more square feet;
- Prior to issuance of a Building Permit for addition of two or more new plumbing fixtures;

Commercial Properties and Common Interests Developments

- Commercial properties, common interest developments (condominiums) and other properties with three or more dwellings on a single parcel will be required to inspect privately owned lines once every ten years.

Exceptions

Exemptions to the requirements for inspection are provided when the lateral has been installed in the past twenty years, or when an inspection has been conducted in the past three years, and the lateral was found to be in good condition.

Disclosure on Sale

The City's existing Zoning Information Report (ZIR) will be modified to require buyers to indicate whether they have received disclosure from the seller regarding the condition of their lateral and to certify that they understand that the lateral is private property and that they are responsible for maintaining it in good condition.

Administrative Guidelines

As required by the ordinance, staff will prepare administrative guidelines for implementation of this ordinance. Staff will return to Council for approval of a resolution adopting such guidelines within 90 days.

INCENTIVES

In order to encourage property owners to evaluate the condition of laterals, as well as providing incentives to repair them, staff is proposing that an incentive program be authorized. The incentive program is targeted at homeowners and therefore is recommended to apply to properties with three or fewer residences.

Rebate for Inspection – If the lateral is in good repair, the incentive program is to provide property owners a \$150 rebate to offset the cost of lateral inspection. The average cost of inspection for a sewer lateral is estimated to be about \$200. Providing a substantial portion of the cost for this inspection may encourage property owners to investigate the condition of their laterals.

It is not recommended that the rebate for the inspection cost be given where the lateral needs repair, as plumbing companies will frequently waive the cost of inspection if they are contracted to perform repairs. Further, as discussed below, it is recommended that property owners needing repairs receive a rebate for a portion of the cost of work performed.

Lateral Replacement Rebate – Waiver of permit fees and rebates of the lesser of \$2,000 or half the cost of lateral replacement or rehabilitation for property owners will offer an inducement for property owners to proactively replace laterals. Other communities have implemented similar programs and have set rebate amounts as proposed above. Funding at \$200,000 per year would provide sufficient revenues to fund approximately 100 rebates.

At their meeting of June 23, 2006, the Finance Committee voted to recommend the incentive program as described above, and to fund the program for the remainder of the fiscal year at an amount of \$200,000, which will come from the Wastewater Fund Reserves. The Finance Committee expressed a desire to fund a more substantial program, but there are many competing demands in the Wastewater budget and a larger program would require deferring other work, reducing reserves, or increasing

rates. Data collected from the pilot rebate program will be used to make recommendations for the Fiscal Year 2008 budget.

PROGRAM IMPLEMENTATION

As discussed above, staff is preparing administrative guidelines for adoption by Council. Implementation of the ordinance will not occur until these guidelines are adopted. A resolution to adjust permit fees and authorize the rebate program will also be prepared for Council adoption.

The first mandatory inspection of businesses located within the first of the City's ten inspection areas will be required as of January 1, 2007. Inspections for common interest developments, such as condominiums, will go into effect January 1, 2008. Staff anticipates that the program will require at least 40 hours per week of staff effort. We will evaluate our ability to manage this program with the current staff levels and will include any needed changes to staffing levels at mid-year or in the Fiscal Year 2008 budget.

PREPARED BY: Rebecca Bjork, Wastewater System Manager/RB/nrs

SUBMITTED BY: Anthony J. Nisich, Public Works Director

APPROVED BY: City Administrator's Office